Wherever it leads, it is far more to be valued than the happiness of an illusory simplicity.

RUSSIAN OIL EXPORTS

Mr. SCOTT. Mr. President, in the April issue of Petroleum Press Service it was reported that Soviet bloc countries shipments of crude oil and products to other countries—including Cuba—went up from 30.7 million metric tons in 1961 to an estimated 33 million tons in 1962—an increase of about 2¼ million tons or about 7 percent.

The publication which points out that this is not a sizable increase also recognizes that the Russians have not given up their longtime aim of capturing a much larger part of the free world's oil markets.

Why then such a slight increase last year? There are indications that an increase of exports last year was inhibited by a number of adverse factors and I here quote the Petroleum Press Service:

> There are strong indications that the construction of new facilities in the U.S.S.R. for the refining and handling and, above all, for the transportation of oil has recently been lagging.

And how do the Russians hope to overcome this bottleneck? "By the commissioning of new oil pipelines, some of which have been expressly designed for export purposes." At this point, Mr. President, I ask that the Petroleum Press Service April issue be made part of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUSSIAN EXPORTS LOSE MOMENTUM

(EDITOR'S NOTE.—After rising annually for many years by around one-third or more, last year oil exports from the Soviet bloc staged a much more modest increase, of slightly more than 2 million metric tons or 7 percent, reaching about 33 million tons. The expansion of Soviet oil exports now appears to be hampered by internal difficulties, notably in the sphere of transportation, while further encroachments of the free world's markets are encountering stiffer resistance than before. But there is no indication that the Russians have yet given up their long-term aim of capturing a much larger part of these markets, or that their oil reserves, if properly developed, will be insufficient for this purpose.)

The contention previously made in these columns that the expansion of the Soviet bloc's oil exports is losing momentum, is supported by new statistical evidence. The bloc's shipments of crude and products to other countries (including Cuba) went up from 30.7 million metric tons in 1961 to an estimated 33 million tons in 1962—an increase of only about 2¼ million tons or about 7 percent. In each of the preceding 3 years, the rise was of the order of 6 or 7 million tons, and the average annual compound rate of increase for these years was as high as 36 percent. Crude oil production in the Soviet bloc rose last year by 11 percent, reaching 206 million tons, so that for the first time in many years, the proportion of the Soviet bloc's output earmarked for exports has somewhat declined. At the same time, the share of the Soviet bloc's deliveries in the rising supplies of the free world has remained virtually unchanged at about 3 percent.

As always, the great bulk of the Communist countries' exports in 1962—say, around 30 million tons—came from the U.S.S.R. itself, and most of the remainder from Rumania. Shipments from Russian and Rumanian Black Sea ports totaled about 27 million tons but other trade routes, including those via the Baltic, have gained in prominence, and they will become still more prominent in 2 or 3 years, after the completion of the various current pipeline projects in the U.S.S.R. and Eastern Europe. More than half the oil last year—about 18 million tons—was exported as crude, with black oils accounting for most of the balance.

The Soviet bloc's export trade as a whole is subject to complex and divergent influences. Oil is undoubtedly one of their most convenient levers in international trade, and there is nothing to indicate that the Russians have given up their long-term aim of capturing a much larger part of the free world's oil markets, or that their oil reserves, if properly developed, will be insufficient for this purpose. But expansion was last year inhibited by a number of adverse factors which are described below and, as far as can be seen, these factors will remain in force for some time to come. All the recently concluded trade agreements point to the probability of a comparatively modest expansion of Soviet oil trade in the immediate future, and this evidence is reinforced by the recent report that Sojuznefteexport, the Soviet's oil export concern, does not appear to be seeking any further substantial orders for the current year. Also, in February, Russian oil deliveries to Egypt and Iceland appear to have been below the agreed level.

There are strong indications that the construction of new facilities in the U.S.S.R. for the refining and handling and, above all (for the transportation) of oil has recently been lagging. It is true that Russian crude oil production is nevertheless growing at an impressive rate, but most of this is needed to satisfy the rising demand within the Soviet bloc. The Russian Transport Minister indicated a short while ago that the already overburdened railways have to carry a growing load of mineral oils every year. Eventually, it is hoped that the transport bottleneck will be lessened by the commissioning of new oil pipelines, some of which have been expressly designed for export purposes. But, in general, the construction of gas pipelines is given a higher priority in the allocation of scarce steel resources, and the steel scarcity may be further aggravated by the recent NATO resolution urging members to discontinue the supply of large-diameter pipe.

The rapid expansion of the Soviet bloc's oil exports up to 1961 was partly due to price-cutting and other aggressive trading tactics. But more recently, the Russians have tended to ask for somewhat higher prices, and trading with them has become correspondingly less attractive for their actual or potential partners. This hardening of prices presumably reflects the fact that the Russians are now seeking new outlets for a smaller volume of oil than previously, but the Russians may also have learned from experience that to charge very low prices for a major export is not to their advantage. Oil exports from Eastern to Western Europe in 1957 accounted for about 13 percent of the value of all exports, and the subsequent sharp rise in oil exports (even allowing for a higher proportion of crude) should normally have resulted in a significant rise in their relative share of total value in the following years; but it is interesting that, according to the United Nations Economic Commission for Europe, the share in 1960 and 1961 was still only about 13 percent, the effect of the higher volume having been offset by the drop in prices.

Estimated Soviet bloc exports to rest of world

[Thousand metric tons]

	1958	1959	1960	1961	1962	Percent change, 1961–62
Italy	1,180	3,150	4,840	6,425	7,315	+13.8
Western Germany	1,100	2,160	2,900	3,895	4,175	+7.2
Sweden	930	1,510	2,030	2,590	2,865	+10.6
Finland	1,360	2,070	2,300	2,300	2,795	+21.5
Austria	380	900	1,100	1,035	1,155	+11.6
France	1,020	1,190	1,160	935	1,125	+9.7
Greece	430	490	1,040	1,135	980	−13.7
Belgium	90	390	290	300	360	+20.0
Yugoslavia	470	510	520	155	295	+90.0
Norway	200	410	350	270	280	+3.7
United Kingdom	40	110	240	160	255	+59.6
Iceland	330	370	340	330	250	−24.3
Denmark	50	110	160	260	230	−11.5
Switzerland	30	80	70	80	140	+75.0
Spain	----	----	----	----	40	----
Netherlands	100	70	50	20	10	−50.0
Turkey	----	----	10	50	5	−90.0
Portugal	50	20	50	----	----	----
Total, Europe	7,760	13,540	17,450	19,940	22,275	+11.7
Japan	10	130	1,400	3,040	3,000	−1.3
Egypt	2,290	2,180	1,520	2,195	1,610	−26.7
India	----	30	20	175	450	+158.0
Brazil	----	60	160	500	275	−45.0
Morocco	30	60	40	120	195	+62.5
Syria	270	400	270	190	195	+2.6
Ceylon	----	----	----	----	180	----
Guinea/Mali	----	----	30	90	135	+50.0
Afghanistan	40	50	50	70	70	----
Tunisia	20	10	10	45	55	+22.2
Algeria	40	25	60	55	40	−27.3
Sudan	----	----	----	----	15	----
Ghana	----	----	----	----	10	----
South Africa	----	----	----	----	5	----
Lebanon	----	70	90	100	----	----
Uruguay	220	500	70	25	----	----
Argentina	1,040	500	10	----	----	----
Antarctica and other	30	155	160	160	170	+6.2
Total, other free world	3,990	4,260	3,890	6,765	6,405	5.0
Cuba	----	----	2,160	4,030	4,300	8.7
Grand total	11,750	17,800	23,500	30,735	32,980	+7.3

Except for a relatively small Soviet-owned distributing company in Finland, the Communist countries have no oil-trading facilities of their own in the free world. They nevertheless found it comparatively easy in the early stages of their postwar trading offensive to obtain substantial footholds in various countries, mainly by making suitable arrangements with independents and, in some cases, with state oil entities. However, most distributors in the free world have no reason to switch over to the distribution of Soviet bloc oil and, as time goes on, the Communist oil exporters will naturally encounter greater obstacles in their attempts to increase their market share. On the other hand, even without price cutting, the Russians and other Communist governments are able at times to make tempting offers, notably by coupling the oil sale proposals with offers to buy industrial goods. And, if everything else fails, the Communists may still decide, in the case of certain outlets, to accept the heavy but necessary financial burden involved in building up their own distributing facilities.

Excluding the special case of Cuba, the Soviet bloc's exports last year are assessed at 28.7 million tons, of which nearly nine-tenths went either to European countries or to Japan. The foremost purpose of this trade, from the Communists' point of view, is to facilitate imports of industrial goods, either through direct barter arrangements or otherwise. As the accompanying table shows, Soviet bloc oil is now being regularly exported to a great variety of countries in the free world but the nine largest buyers include only two—Egypt and Greece—who have no industrial goods to offer in exchange. It is perhaps significant that in both these cases there was last year a sharp drop in the Soviet bloc's oil deliveries.

Contrary to expectations the Soviet bloc's deliveries to the European Economic Community showed a further rise, from 11.6 million tons in 1961 to 13 million in 1962, or by about 12 percent. Italy alone took 7.3 million tons which covered 16 percent of her total oil imports, and made her once again by far the free world's largest purchaser of Soviet bloc oil. Western Germany takes second place among the importing countries of the free world but her imports of 4.2 million tons from a variety of Communist sources (including Eastern Germany) were just within the limit of 10 percent of total oil imports which has now been accepted by all EEC countries, other than Italy, as the permissible upper limit. In France and Belgium, imports from the Communist world covered about 3 percent of all oil imports but in the Netherlands they have so far been negligible. ENI, the main Italian purchaser of Russian crude, will conceivably be rather more reticent in future, in view of its new contract with Jersey Standard.

There was also a substantial increase in exports to Scandinavia, from 5.8 to 6.4 million tons or by 11½ percent, and there are indications that this area remains a foremost target for Soviet-bloc oil. Not only have the Russians recently resumed the construction of pipelines to the Baltic in order to facilitate their supplies to northern Europe, but Mr. Khrushchev has now proposed that oil and gas pipelines be laid directly into Finland. The Russians already dominate the Finnish and Icelandic markets and provide about one-fifth of the large Swedish requirements. It is thought possible, moreover, that they will shortly propose an increase in their deliveries to Sweden, as a quid pro quo to shipbuilding orders recently placed in that country. In Norway and Denmark, the Russians have so far only been moderately successful but they now seem to be determined to improve their position in the Danish market, possibly by constructing their own storage installations.

The other main importers of Soviet-bloc oil in Europe are Austria and Greece. In Austria, supplies from various Communist countries account for about half the rising imports but this proportion may be expected to decline after the construction of the projected pipeline from the Adriatic. As already indicated, the trade with Greece is relatively unattractive for the Russians but the recent cut in their deliveries seems also to have been staged partly for political reasons, as a move in the campaign against Greece's association with the Common Market. There are smaller deliveries of Soviet-bloc oil to most of the remaining European countries. Indeed, some oil is now going to Spain where a barter arrangement involving the exchange of textile fibers for Soviet oil has been concluded. Renewed efforts have recently been made, moreover, to increase Russian deliveries to the United Kingdom, again under barter arrangements.

Japan started taking large quantities of Russian oil (mainly crude) during 1960 and has since become the free world's third largest importer of such oil, but the hope previously entertained by the Russians that they might push these deliveries up to some 10 million tons annually seems to be wide of the mark, at any rate as far as the foreseeable future is concerned. Last year's deliveries totaled 3 million tons—the same as in 1961 and 400,000 tons less than had been foreseen in the trade agreement—and it is shown in a separate article on page 144 that a recently concluded new agreement envisages a relatively modest further increase, to 4 million tons by 1965. The tentative Russian proposal for the construction of an export pipeline to the Pacific, using Japanese steel, has found little favor in Japan.

The Communists' exports to the underdeveloped part of the free world deserve attention both because of their economic significance and because of their political implications. However, the quantities of oil entering this trade are relatively small, amounting last year to somewhat over 3 million tons, of which half went to Egypt. Highlights of last year's trade were the start of deliveries to Ceylon, Sudan and Ghana, and the sharp rise in deliveries to India. In the Western Hemisphere, apart from Cuba, Brazil is now the only importer of Soviet-bloc oil.

Some of the drawbacks of the trade with the Communists were demonstrated last month when Russian coal deliveries to France were suddenly stopped, ostensibly because Russian dockworkers refused to load ships during the strike of French mineworkers. In some quarters, this action was regarded as a thinly disguised embargo, staged by the Russian authorities in order to gain the political sympathies of the strikers, and possibly to add to the economic difficulties of France. The action is on par with the sudden stoppage of all Russian oil deliveries to Israel during the Suez crisis in 1956, and the recent less flagrant cut in Russian oil deliveries to Greece. Trading with the Soviet bloc has its attractions to countries seeking to expand their exports in a highly competitive world, but in current international political conditions, it makes little sense for any country in the free world to depend on the Communists for more than a relatively small proportion of their requirements of fuel and other basic supplies.

Mr. SCOTT. Mr. President, with these facts in mind, it is important to call attention to some trade negotiations presently being carried on by our British cousins.

Briefly, the case history of these negotiations is as follows: The Soviets had placed orders for 163,000 tons of steel pipe with three Ruhr—German—steel companies. At a meeting of the North Atlantic Treaty Organization held last October, the Atlantic Council recommended that all Alliance members refuse Soviet orders for such pipe. The German Government although under heavy domestic fire, forced the three companies holding the orders to cancel the already signed contracts. The Bonn government is to be complimented for this action. It was in accord with the NATO unanimous vote to place an embargo on these pipes.

Now the British threaten the solidarity of NATO at a very sensitive point by taking the position that the NATO vote was not binding. It is now reported that the South Durham Steel Co. of England is on the verge of agreeing to supply this pipe.

Mr. President, American industry and the American people have supported our Government's position on the embargo of goods to the Soviet Union and Soviet bloc countries. I am sure American industries would like to find an outlet for such a sizable order as here discussed.

The filling of orders such as this in my mind undoubtedly strengthens the Soviet in the cold war. In particular, there is substantial feeling in the trade community that the Soviets believe their trade expansion program will pay off with the tapering off of the Western European business boom. It is not extreme to think that the Soviet not only will use their new trade offensive to build up their own internal strength but to divide the West which is still shocked by France's veto of Britain's entry into the Common Market and attempt to create a Western dependency on Soviet trade.

I am not advocating here, Mr. President, that the United States should for all time turn its head away from the possibility of expanding our trade with the Soviets. If the atmosphere of the cold war should change; if the Soviets historical designs of world domination should show change with deeds rather than talk, then surely the United States in fairness to its industries, should reevaluate its trade relationship with them. But until that day arrives I endorse the policy of trade limitation with Iron Curtain countries.

Considering the position taken by the United States and in this instance endorsed by the Federal Republic of Germany, I consider it most disturbing and ill advised for the British to take an opposite position. Especially in face of the NATO Council resolution banning the sale by member nations of such pipe to the Soviets.

This matter is not merely a matter of dispute between the British and German Governments but an essential link in the economic alliance against a Soviet buildup. If there is a weak link in the chain, the other links will be weakened.

The NATO Council is presently meeting in Ottawa and I feel that it is essential for our representatives to raise this matter as a vital point in the discussions.

Last night in a speech before a dinner meeting of the Pilgrims of the United States, the British Ambassador, Sir

-id Ormsby Gore, urged that Britain the United States make new efforts evive unity among Western democra-. He further said "that the two ntries should consider whether new latives may not be necessary to bind ether the democracies in common en-vor." I heartily commend the bassador's position and call upon the tish to present a common front on s embargo.

POSITION TO SOFTENING OF U.S. OLICY TOWARD RED HUNGARY

Mr. SCOTT. Mr. President, last week ny Members of the Senate received a ate Department memorandum which arly implies a softening of the U.S. vernment's policy toward the brutal gime of Janos Kadar in Hungary.

This memorandum, which purports to ow a shift toward moderation in Hun-ry, gives substance to the persistent d disturbing reports of possible re-tablishment of normal diplomatic lations between our country and the tchers of Budapest, and withdrawal of S. opposition to seating Hungarian presentatives in the United Nations.

I am unalterably opposed to such a nical change in established policy.

Are our memories so short, our beliefs liberty and human dignity so weak, at we are now going to reward rather an condemn the suppression of basic uman rights? I cannot believe it, and would suggest that those who do would o well to recall some words of the Presi-ent during the 1960 campaign. He aid at that time:

> We will never surrender positions which re essential to the defense of freedom, nor will we abandon people who are now behind the Iron Curtain through any formal ap-proval of the status quo.

The President's words applied then, and they apply now. As I have repeat-edly done in the past, I again urge the State Department to instruct our U.N. delegation to oppose any move to seat representatives of the Kadar government in the United Nations.

We cannot keep alive the flame of free-dom for which thousands of Hungarian revolutionaries gave their lives by legiti-mizing those who would put it out for-ever.

SMALL BUSINESS ADMINISTRATION LOAN PROGRAM

Mr. SMATHERS. Mr. President, be-cause it is not the best known of the Federal administrative agencies, the Small Business Administration, some-times finds itself misrepresented. SBA has been accused of setting size stand-ards which result in most of its loans going to the big firms, of competing with banks and enmeshing its loan procedures in so much redtape as to discourage borrowing.

To anyone familiar with the character and record of the SBA's present Admin-istrator, John E. Horne, these charges are preposterous. But, busy with their own problems, the best witnesses, SBA's borrowers, for the most part, are silent. The charges therefore go mostly unanswered and in some few industries are credited, though happily not in most.

In motor freight transport, there is a thorough understanding of the SBA lend-ing program and this is fortunate, for, though including some very large car-riers with yearly revenues exceeding $100 million, this industry, in the main, by SBA's very reasonable standard of a ceiling of gross yearly revenues of $3 million for smallness, consists of small firms.

By law, SBA may make these small carriers long-term loans secured by chattel mortgages and with bank partic-ipation; a plan developed by Adminis-trator Horne under which SBA defers repayment of its portion to encourage banks to take part. But if, as charged, the program discourages such borrow-ing, than the motor freight industry can become dominated by bigger firms to the injury of its own and the Nation's econ-omy and the frustration of the congres-sional intention. If the program is misunderstood, the result can be equally bad.

This industry's weekly newspaper, Transport Topics, founded nearly 30 years ago by Morris Glazer, its present editor emeritus, owes it wide circulation and high esteem to his policy of pre-senting the news without fear or favor in furtherance of healthy competition. Aware of the importance to the industry of the SBA loan program, Mr. Glazer, through his weekly column, has closely followed its course.

Becoming aware of the charges against the program, Mr. Glazer, through the American Trucking Associations, pub-lisher of Transport Topics, set out to get the facts through a questionnaire mailed to the best-qualified witnesses, 20 of the most recent borrowers. Mr. President, I ask unanimous consent that two articles by Mr. Glazer from the issues of Trans-port Topics of April 22 and April 29, in which he analyzes the results be in-serted in the RECORD at this point of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Transport Topics, Apr. 22, 1963]

SBA LOAN PROGRAM—TRANSPORT TOPICS SURVEYS TRUCKING BORROWERS TO GET VIEWS FOR BENEFIT OF OTHERS

(By Morris H. Glazer)

(EDITOR'S NOTE.—This is the first of two ar-ticles on the lending program of the Small Business Administration as related to mo-tor carriers.)

Transport Topics surveyed a group of mo-tor carriers who recently obtained loans through the Small Business Administration. The purpose was to ascertain what their ex-periences were with a view to providing helpful information for other carriers who may want to apply for loans.

Borrowers were asked these questions: How did you learn of the SBA program? How long after applying did you receive the loan? What is the interest rate, the maturity, the security? Did a bank participate? Was a substantial part of the loan applied to fleet, terminal or warehouse modernization or ex-pansion? Has the investment increased the quality of your service, tonnage, earnings? Have you added any employees because of the loan? What advice would you give a fellow carrier in your position who may want to qualify for an SBA loan?

SBA will make a loan only when two banks—one in small communities—have de-clined it. This is to preclude SBA from com-peting with commercial banks. Because of the fact that some banks have refused motor carrier applicants a rumor has developed that SBA borrowers, by banking standards, lack credit-worthiness. This is not the case. SBA borrowers, particularly motor carriers, who want credit for modernization and ex-pansion, need loans in larger amounts and for longer terms than commercial banks usually are able to extend. SBA business loans can be approved for as long as 10 years and, if a bank wants to participate, SBA, by law, must allow it to do so.

LOAN LIMIT $350,000

Through SBA, independent motor carriers not dominant in their field and with gross yearly revenue not exceeding $3 million may obtain loans up to $350,000 for moderniza-tion, expansion and working capital. The carrier's local bank may take a percentage of the loan, which portion may mature prior to the SBA portion.

SBA has developed four different plans for business loans, all designed to encourage a maximum of bank participation. The pro-gram of bank participation has been indorsed by the American Bankers Association.

Of the respondents to the questionnaire, half were charged the regular interest rate of 5½ percent, while the other half were charged 4 percent, the rate in effect in areas of high unemployment designated for re-development. More than 900 of these areas of comparative economic stagnation have been designated for Government assistance in establishing or expanding industry to gen-erate new employment, and the 4-percent interest rate is intended to further the at-tainment of that goal.

The processing of an SBA loan takes time. The average elapsed time from filing of the application to granting of the loan for the carriers responding to the questionnaire was about 4 months, and the average term of the loans is 6½ years.

While most of the carriers were pleased with their SBA borrowing, one at least was unhappy because he received less money than he applied for. SBA never gives an appli-cant more money than it thinks he needs, nor more than its judgment of sound fiscal management dictates.

ONE CARRIER'S EXPERIENCE

The reply of a carrier in Oregon illustrates the problems involved in SBA borrowing. He stated:

"Originally, two chain banks would not participate in our first application for $100,-000 for the construction of a new warehouse. The filing entailed a great deal of expense for an accountant to assist in preparing the application. Legal fees to complete the loan requirements after approval were quite high.

"It was found, because of the delay in approval—11 months—that this loan would not meet our requirements. Subsequently, an application for an entirely new loan of $120,000 was filed through a bank which participated to the extent of $10,000. The loan went through in 2 months and the costs of preparation and legal fees were practically nil. The old loan was paid off through pro-ceeds of the new loan.

"My advice to any applicant would be that a bank participate to keep the loan on a local level and to accelerate the applica-tion. In our case, a new warehouse was desperately needed and the banks were not interested in completely financing such a project over a 5-year period.

"This loan has enabled us to bring a modern, fireproof warehouse to this area, which was not possible without the SBA program."

Carriers interested in the SBA program may want to hear C. R. Lanman, chief loan officer of the Small Business Administration, who addresses a meeting of the National Accounting and Finance Council of ATA at the Statler-Hilton Hotel, Washington, D.C., May 15.

[From Transport Topics, Apr. 29, 1963]

SBA LOAN PROGRAM—MOTOR CARRIERS GIVE ADVICE ON HOW TO QUALIFY AS BORROWER

(By Morris H. Glazer)

(EDITOR'S NOTE.—This is the second of two articles on the lending program of the Small Business Administration as related to motor carriers.)

The SBA loan is the answer to trucking company financing—independent carriers with gross yearly revenue not exceeding $3 million. This is the opinion of Lawrence A. Couch, president and general manager of C. K. M. Transportation Co., Inc., Montebello, Calif., who answered a questionnaire disseminated among SBA borrowers to learn of their experiences and what they think of the lending program.

"We believe the SBA loan is one way to combat the ever-present hazards of the industry—lack of capital to support the rapid growth and expansion, coupled with intensive competition, rising wage scales and narrowing profit margins," replied Mr. Couch.

Among advantages, he listed lower interest rates, longer term financing with lower payments in paying off the debt. All of these things allow growth and stability at the same time, he added.

The company is 9 years old, having been organized in 1954 with four 3-axle diesel tractors and four 35-foot semitrailers. Today it operates 25 diesel power units and 30 flat-bed semitrailers, and expects a gross revenue of $500,000 this year. As a result of the SBA loan, it increased its tonnage by 55 percent, its earnings by 23 percent, and added five employees. The loan, $85,000 granted in 1960, provided funds for the down payment on land held on a 5-year lease option, permitted the construction of a maintenance repair shop, the purchase of additional power and trailer units, allowed the consolidation of equipment obligations, and lowered monthly payments and interest rates. A subsequent loan of $115,000 was granted, in 1962. This paid off the remaining part of the first loan, provided funds for the purchase of additional equipment and a portion for operating capital.

COMPLETENESS IS ESSENTIAL

In his desire to help other motor carriers who may be in need of funds, Mr. Couch offers the following advice:

1. Have application prepared by a good accountant, preferably a CPA, one who knows you and the trucking business.

2. Submit comparative statements for 5 years of operation. Be sure they are accurate and reflect the true condition of the company. Be prepared to furnish a certified audit, if required.

3. Anticipate future needs; plan and make application when profit picture and growth potentials are good. Don't wait until the company is in trouble and showing a loss.

4. Be prepared to discuss the following items honestly and intelligently: Reasons for making the loan; the history of the company, its operation, growth, management, etc.; future plans and aims of the company; how the SBA loan would benefit the company; repayment ability.

Mr. Couch added that he had found the SBA to be very cooperative and that "any request we have made has been granted; they do not try to interfere in any way with your business."

CARRIERS' COMMENTS

Other motor carriers offered these comments in reply to the question: What advice would you give a fellow carrier in your position who may want to qualify for an SBA loan?

Get a qualified person to aid in filing the application. Detailed information is important. Work closely with SBA advisers. As a general rule, they are very helpful.

Have a good set of books to substantiate a true financial statement.

Suggest application be made through a bank that would be willing to participate in the loan. This reduces the expense of the application and speeds processing.

Have accurate accounting records. Make a plan for repayment, showing effect of cash flow. Don't withhold any pertinent information. Be realistic in your request. Work closely with your local banker.

Go to your local banker and ask him to participate. This makes it easier to obtain the loan.

Would suggest that terminal and equipment loans be separated on different applications so as to expedite processing.

Analyze the needs of the company. Know what you want, where you want to go, and how you are going to get there. Be sure the books of the company are accurate and reflect the true condition of the company. A certified appraisal is not absolutely necessary, but it will give the applicant material with which he can work and be certain he is correct.

Mr. SMATHERS. Mr. President, a thoughtful reading of these articles can leave no doubt that the SBA loan program, in motor freight transport, is fostering its smaller carriers and promoting competition. Had there been any basis for the sweeping criticisms, the incisive questions would have brought it out.

While, as Mr. Glazer reports, one or two borrowers were unhappy, most were pleased by their experience. The average loan took 4 months to process, certainly not an unreasonable time considering the safeguards required on these public moneys. Of two respondents whose loans were discussed in detail, one received $120,000; the other $85,000, certainly in this industry not big business loans.

As responses indicate, SBA-bank cooperation is excellent; the American Bankers Association has endorsed the SBA deferred participation plan, as Mr. Glazer says. One might wish that one or two sets of answers, for example, those disclosing the number of bank participations, might have been tabulated, but Mr. Glazer obviously had space limitations.

Here, through his cooperation, are some tabulations he lacked the space to treat.

To the question, "Did a bank participate?" all but four responses were affirmative.

To the question: "Was a substantial part of your loan applied to fleet, terminal or warehouse modernization or expansion?" all but three respondents answered "Yes."

To the question: "Has the investment increased the quality of your service, tonnage, earnings?" the recentness of the loans precluded many definite answers but of those that did reply most expected gains.

Mr. Glazer deserves praise for his enterprise in undertaking this fact-finding study of the effect of the SBA loans on the motor carrier industry and the SBA a compliment for the outcome. Those in and out of Congress who know c Administrator Horne's devotion to hi duty and to the welfare of small busi ness will, I am sure, share my confidenc that were similar questionnaires con ducted in other industries, the response would be equally good.

WHEAT REFERENDUM VOTE

Mr. ALLOTT. Mr. President, on Ma 21, the wheat farmers of this Natior spoke—in a loud and clear voice—and I want to take this opportunity to pay tribute to them for what they said.

By an overwhelming vote, they said they did not want to be led further down the road to a completely regimented agriculture. They said they did not want the bureaucrats in Washington to do their farming for them, they wanted to do it themselves. They said they could not be lured into accepting a basically unsound program by "sweeteners" consisting of high price supports and compensatory payments. They said they would not be intimidated by threats of curtailed credit.

It was a courageous voice with which they spoke and they deserve applause.

I opposed the Agriculture Act when it was before the Senate last year and as we here on the minority side indicated at the time, the program put forth by the administration was not what the farmers wanted or needed. We now have that fact made amply clear by a referendum which showed that less than a majority, let alone the required two-thirds, were willing to accept a complicated, highly regulated, planned agricultural economy.

But, in my judgment, a disapproval of the program does not end our responsibility. On the contrary, now, while there is sufficient time, is the moment for us to get to work and put together a program which will be acceptable to the farmers of this country and which will help them to bridge the gap. I do not share the President's view that by this vote the farmers have expressed themselves in favor of going it alone, so to speak. There is only one thing which comes out of the vote and that is a resounding rejection of the program which was offered. All that was indicated was: "We don't want this program, but give us a reasonable program responsive to our needs." We have a responsibility to American agriculture and that responsibility needs to be met. I am hopeful that hearings can be held in the near future and that all those interested will be given the opportunity to present their views. There are several approaches which even now have been formulated and I am certain that more will be brought forward. Let us get to the task of meeting the challenge and offering a sound approach which the farmers can live with and work with.

POPE JOHN

Mr. PELL. Mr. President, reports continue to circulate throughout the world regarding the illness of Pope John XXIII.